



Stop the Raid on Social Security

Invest in GROW Accounts

(Growing Real Ownership for Workers)

The Concept

- The government currently collects more money in Social Security payroll taxes than it pays to current retirees in benefits —creating annual Social Security surpluses. This will continue until 2016. This money, the Social Security surplus, is credited to the Social Security Trust Fund (purchasing Social Security bonds) and then the actual cash is spent by Congress for non-Social Security government programs.
- Our constituents believe Social Security taxes should go exclusively to Social Security and that when we spend it on other things we are “raiding” – some say “stealing”- the Social Security surplus. Every Member has heard from people in their districts that Congress should stop raiding the surplus from Social Security. But as long as Congress has access to Social Security surpluses, that money will be spent.
- The only way to protect the surplus is to invest it in real assets.
- Investing the Social Security surplus in marketable Treasury bonds will do just that. They will be individual lockboxes that workers will own and control, and Congress will not be able to touch.

What the Bill Does

- Stops the raid on the Social Security surplus.

- GROW Accounts will be created for workers under the age of 55, unless they choose not to participate.
- Social Security surpluses will be dedicated to GROW Accounts, which will consist of no-risk marketable Treasury bonds.
- Individuals will own and control their accounts, which will be a retirement nest egg for American workers.
- Account balances will be inheritable.
- An independent Board will manage and administer the GROW Accounts.
- In January 2009, the Board will submit a plan to Congress that will allow individuals to diversify their accounts into other investment options such as Index Funds, Mutual Funds, etc. similar to funds presently available to all federal government employees through the Thrift Savings Plan.
- This bill makes sure that Social Security taxes are only used to support Social Security for American workers.